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Committees
Economic Development, Small
Business and Regulatory Reform VC
Families and Human Services VC
Government Operations
Health Policy

The Jacobs Report

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GRANHOLM: NEXT BUDGET FACES \$500 M. SHORTFALL

Yet again, Michigan faces a budget deficit beginning to take shape just as the wrenching process to balance the previous budget was completed.

Expect more budget cuts for the upcoming year.

This week, Governor Jennifer Granholm told reporters that the 2005-06 budget—based on projected revenues and spending for existing programs—appears to be \$500 million in the red.

The governor issued her forecast in response to Senate Majority Leader Ken Sikkema's (R-Wyoming) demand for government restructuring before tax restructuring.

Senator Sikkema wants to tighten the reigns over how government does business, saying that it should be as efficient as possible before more revenue is sought from taxpayers.

Governor Granholm plans to unveil a new tax structure proposal after the November election during what is known as "Lame Duck Session." Details are forthcoming, but her goal is to craft a proposal that would be both revenue neutral and less tied to Michigan's traditional manufacturing tax base. She is urging the Legislature to pass some sort of tax reform before January, when a large class of experienced lawmakers will be expelled from the House because of term limits.

"When I talk about tax restructuring, I'm not talking about tax increases," Governor Granholm said. "I'm talking about making sure our tax structure is aligned with the economy we want to create. There will not be a tax increase, but a revenue neutral proposal."

"I think it's very clear that the revenue for the state has declined but spending in the past has not declined," Ms. Granholm said, also noting that \$2 billion has been cut from state government in the past two years.

State general fund revenues have declined every year since 1999-2000 when they peaked at \$9.799 billion and are projected to be \$7.856 billion in the budget year that started October 1. Meanwhile the bulk of the spending pressures on state government have come from the Medicaid program—which Senator Sikkema cited as one in need of reform—and corrections.

Gov. Granholm said more cuts in state spending "are absolutely a given. We're going to continue to restructure and downsize and tighten our belts like everyone at home and in the private sector is going to do."

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RESTAURANTS PROTECTED FROM FATTY SUITS

This week, Michigan became the 13th state to shield restaurants and others in the food industry from lawsuits blaming them for a patron's obesity. Thursday, Governor Jennifer Granholm signed a bill limiting suits to situations involving adulterated or misbranded food.

The lawsuit limitations under HB 5809 (PA 367) apply to food servers, manufacturers, marketers, promoters, carriers and packagers. Patrons are now barred from recovering damages for injury or death that arises from weight gain, obesity or a health condition related to those conditions.

No suits have been filed in Michigan, but fast food restaurants in other states have been targeted with suits alleging responsibility for a patron's obesity.

TEEN DRIVER BILL CRASHES

Legislation that would have limited the number of teenagers in a car broke down in the Senate this week after Democrats and conservative Republicans combined to defeat the bill and bar it from future consideration this session.

HB 5600, sponsored by Rep. Ed Gaffney (R-Grosse Pointe Farms), was a reaction to a fatal wreck in Fowlerville that killed several teenagers. Since then, supporters have manufactured statistics showing that the chances of a teenager driver getting into an accident go up as the number of passengers go up.

But that argument faced a skeptical Senate. Several senators pointed out that a limit on the number of teenage passengers in a car would result in more teenage drivers on the road, thus negating any statistical loss/gain. Senators who happen to be parents of teenage children spoke about the hassle this new law would create in their own lives and the lives of families with other teen-age children. The law would ban car-pooling for teens and deprive kids the chance to grab a burger with friends after a Friday night football game. The law would prevent kids from giving stranded schoolmates a ride and/or make them scofflaws for doing so. And as mentioned above, the law would force these kids to drive separately, which may in its own right create more accidents.

Sen. Mickey Switalski (D-Roseville) drove the Senate down memory lane and his personal experiences with teenagers and cars.

"I'll never forget a steamy August night in the back of a car with Patty Otto on a double date," Switalski said. "This bill would make the double date against the law. I refuse to believe the Senate could be that callous and cruel."

To the dismay of Sen. Judson Gilbert (R-Algonac), chair of the Senate Transportation Committee, the bill was watered down before it even came to a vote. The Senate adopted an amendment offered by Sen. Gilda Z. Jacobs (D-Huntington Woods) granting exceptions to children who carried around a parent's permission slip, a provision that had been in the House version, but stripped out in the Senate committee.

After Gilbert argued the amendment would gut the bill, aptly pointing out that any high schooler can get a buddy to forge a note. Second, the Senate made the new rule apply only after 9 p.m., which Gilbert said didn't make any sense since 41 percent of accidents involving children happen during the day and early evening.

In order to make a point, Sen. Burton Leland (D-Detroit) tried to slap on an amendment that would ban kids from talking on their cell phones, eating, or listening to the radio. It failed, but his point was made that lawmakers can only do so much to protect their young constituents before the new laws get too restrictive.

After a defeated substitute, the passage of a watered-down amendment and an hour of debate, the bill was sent to the scrap heap when eight Republicans joined with 13 Democrats in voting against it. Senate Majority Floor Leader Bev Hammerstrom (R-Temperance) asked to reconsider the vote and pass the bill for the day, a procedural way to keep the bill alive for another time, but the Senate voted against passing the bill for the day and Hammerstrom backed off her request to reconsider the vote.

UPCOMING EVENTS

Office Hours:

OAK PARK

Monday, October 11
11:30 AM – 12:30 PM
Oak Park Community Center
Computer Room

HAZEL PARK

Tuesday, October 19
2:00 PM – 3:00 PM
Hazel Park Community Center

GERONTOLOGY PANEL DISCUSSION

Monday, November 8, 10:30 AM – 12:15 PM
Botsford Commons Community
Town Commons Dining Room
21300 Archwood Circle
Farmington Hills

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/> .

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

This newsletter is produced in single-space form in order to save paper and transmission costs.

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